
To: 2008 & 2009 Tax Credit & 1602 Recipients

Notice: MFD-09-30

From: IHCD Multi Family Department

Date: October 7, 2009

Re: **Carryover Allocations and 10% Test**

A development receiving a 2009 Section §42 Tax Credit Reservation and/or 2009 Section 1602 Tax Credit Exchange award must complete the development and place the building(s) in service (as defined by Internal Revenue Service Notice 88-116) by December 31, 2009 **OR** satisfy the requirements for a Carryover Allocation (as defined by IRC Section 1.42-6) and the 2009-2010 Qualified Allocation Plan (QAP), Section H.9. The Carryover Agreement is located in Form D of the QAP and is must be received by the assigned IHCD Multi-Family Analyst by November 13, 2009.

[Multi-Family Notice 09-29](#) extended the 10% Test deadline for the 2009 Tax Credit Reservations and 2009 1602 Exchange recipients until June 30, 2009.

The deadline for a 2008 Tax Credit Reservation to meet the 10% Test was extended to November 13, 2009 in [Multi-Family Notice 09-12](#).

Allocation	Carryover Deadline	10% Test Deadline
2009 Tax Credit Reservation	November 13, 2009	June 30, 2010
2009 1602 Allocation	November 13, 2009	June 30, 2010
2008 Tax Credit Reservation	Completed in December 2008	November 13, 2009

A 2008 development that entered into a 2008 Carryover and receives a 2009 1602 Exchange award must also enter into a Carryover Agreement for their 1602 award.

A 1602 Exchange award is the equivalent to an allocation of Section §42 credits. 1602 awards will be required to submit a final application, final cost certification and will be issued IRS Form 8609 based on their eligible basis. A building that receives a tax credit reservation and a 1602 award will receive a IRS Form 8609 for the tax credits and 1602 funds.